

**UTAH RESIDENTIAL MORTGAGE
REGULATORY COMMISSION MEETING**

Heber M. Wells Building

Room 250

9:00 a.m.

October 7, 2020

Google Meet

MINUTES

DIVISION MEMBERS PRESENT

Jonathan Stewart, Division Director

Justin Barney, Hearing Officer

Kadee Wright, Chief Investigator

Maelynn Valentine, Board Secretary

Joy Natale, Division Analyst

Lark Martinez, Division Staff

Stephen Gillies, Assistant Attorney General

Marv Everett, Investigator

COMMISSION MEMBERS PRESENT

Kay Ashton, Chair

Scott Gibson, Vice Chair

Cathy Gardner, Commissioner

George Richards, Commissioner

The meeting on October 7, 2020 of the Utah Residential Mortgage Regulatory Commission began at approximately 9:00 a.m. with Chair Ashton conducting.

PLANNING AND ADMINISTRATIVE MATTERS

Meeting Without Anchor Location-Chair Ashton

Approval of Minutes – A motion was made and seconded to approve the minutes of the meeting held August 5, as written. Vote: Chair Ashton, yes; Vice Chair Gibson, Yes; Commissioner Gardner, yes; Commissioner Richards, Yes. The motion is approved.

Public Comment Period

No public comment.

DIVISION REPORTS

Director's Report – Jonathan Stewart

Director Stewart reported that the Department of Commerce building is still closed to the public.

There has been a recent spike in COVID-19 cases which has led Mayor Mendenhall to request of the Governor's office to change Salt Lake City from yellow back to orange. If the status changes back to Orange, it would make it difficult for the Heber Wells building to open to the public. All Division services are available online, RELMS, telephone, and email.

Director Stewart reported that he has received a request from the Utah Association of Appraisers. They are requesting that a member of the appraisal industry be added to the Mortgage Commission. Director Stewart believes that this is a different issue than what is trying to be accomplished with the Appraiser Board. Director Stewart informed the Commission that there have been several instances where lenders and appraisal management companies are directly affected by decisions the Appraisal Board makes. The Appraisal Board has the authority to draft and pass administrative rules for appraisal management companies. There are not many issues where administrative rules passed by the Mortgage Commission affect appraisers. In the many years Director Stewart has been with the Division, he has seen only one administrative rule that affected appraisers and it is the rule that requires payment for appraisal services within 45 days of completion of appraisal assignment.

Director Stewart opened the meeting to Commission members regarding this request. Chair Ashton comments that he feels this may open Pandora's box in the sense that mortgage lenders have a great interest in what happens in the real estate industry and potentially want a member of the mortgage industry be on the real estate commission and appraisal board. Chair Ashton believes that it is an important for the industries to collaborate, but it may be a bit cumbersome. Chair Ashton stated that Director Stewart has been great at informing the Mortgage Commission about anything the Real Estate Commission discusses that would impact the Mortgage industry.

Commissioner Gibson asked what the Utah Association of Appraisers' direct motivation is for this request. Director Stewart answered and informed Commissioner Gibson that he has not had any conversation with any specific person about his request and has only received the letter regarding the request. However, Director Stewart did reach out the individual who sent the letter and has not heard back from them yet.

Commissioner Richards commented that he does not believe they would need to add an appraiser to the Mortgage Commission as the system that is in place now seems to be working. Commissioner Gibson agreed and stated that the Mortgage Commission has not had any discussions about anything that involves appraisals or appraisers. Commissioner Gardner agreed and does not believe there would be any relevance by adding an appraiser to the mortgage Commission and suggested to decline their request.

Chair Ashton made a comment about Caravan and how that brings all three industries together where they can talk about rule and regulations that impact each other. Chair Ashton suggested that once a year there be a combined Commission/Board for Mortgage, Real Estate and Appraisal. Director Stewart suggested having an appraisal representative attend a Mortgage Commission Meeting to see if anything discussed would affect appraisers.

At this time the Commission has decided to decline the request to add an appraisal representative to the Mortgage Commission. Director Stewart informed the Commission that this would be a legislative change and will inform the requestor of this decision.

Enforcement Report – Kadee Wright

Ms. Wright reported in August the Division received two complaints; closed zero cases; leaving 121 open mortgage cases. The AG's office has zero cases.

Ms. Wright reported in September the Division received two complaints; closed one case; leaving 122 open mortgage cases. The AG's office has zero cases.

Education/Licensing Report- Lark Martinez

Ms. Martinez reported that mortgage licensing renewals are coming up and are currently reviewing completion of the five-hour course. Credit checks and background are required this year. On November 1, 2020 licenses will be able to request those with their renewal. That information has been announced to licensees in the last two newsletters.

COMMISSION AND INDUSTRY ISSUES- Justin Barney

Mr. Barney reported that there are no proposed rule amendments at this time. Mr. Barney informed the Commission that there are a number of applicants coming through the state under the temporary authority provisions. Ms. Martinez reported that there have been between 20-30 temporary authority requests in one day, and most become licensed but a very small percentage do not become licensed.

Chair Ashton states that in the last newsletter it reported that a number of licensees received disciplinary action for failing to complete Utah requirements to become licensed. Chair Ashton asks if those individuals requesting temporary authority are licensed outside of Utah and if there is a limit on how many times they can receive temporary authority? Ms. Martinez informs Chair Ashton that those individuals are licensed in at least one other state. They would have to apply and pay the fee each time they request temporary authority. Their education is good for one year and the temporary authority is good for 120 days.

Commissioner Gibson asks if there is any type of tracking in place to track those individuals who have withdrawn and reapplied. Ms. Martinez explains that this will show in the NMLs every time they have applied for a license and request for temporary authority. Commissioner Gibson suggests that it may be because of the low interest rates that we are seeing a number of temporary authority requests. Chair Ashton would like Ms. Martinez to keep an eye on the temporary authority granted and to make sure there is no abuse of this provision. If abuse is reported, then the Commission will put something into place to restrict individuals from temporary authority in the future.

Chair Ashton stated that Commissioner England is excused from today's meeting.

A motion was made to adjourn the meeting. Vote: Chair Ashton, yes; Vice-Chair Gibson, Yes; Commissioner Gardner, yes; Commissioner Richards, yes. The motion is approved. The meeting adjourned at 9:30 a.m.